

# MINUTES

## STATE BUILDING COMMISSION MEETING

### EXECUTIVE SUB-COMMITTEE

JANUARY 23, 2006

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

#### STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration  
John Morgan, Comptroller of the Treasury  
Dale Sims, State Treasurer  
Riley Darnell, Secretary of State

#### OTHERS PRESENT

Mike Fitts, State Architect  
Charles Garrett, Department of Finance and Administration  
Georgia Martin, Department of Finance and Administration  
Jurgen Bailey, Department of Finance and Administration  
Janie Porter, Attorney General's Office  
Jerry Preston, Tennessee Board of Regents  
Mark Wood, Secretary of State's Office  
Bob King, Department of Finance and Administration  
Mike Baumstack, Department of Environment and Conservation  
Fred Prouty, Tennessee Historical Commission  
Alvin Payne, University of Tennessee  
Kim Kirk, Department of Environment and Conservation  
Ken Mathews, Cumberland Trail State Park  
Joey Carlton, Cumberland Trail State Park  
Annette Crutchfield, Legislative Budget Analysis  
Ann Butterworth, Comptroller's Office  
Peggy Wilson, Department of Health  
Trent Ridley, Department of Health  
George Brummett, Department of Finance and Administration  
Mike Morrow, Department of Finance and Administration  
Gary Rogers, University of Tennessee  
Robbi Stiver, University of Tennessee  
Mary-Margaret Collier, Bond Finance  
Pat Haas, Bond Finance

Commissioner Goetz called the meeting to order at 10:37 a.m. and requested action on the following matters as presented by State Architect Mike Fitts.

\* \* \* \* \*

UNIVERSITY OF TENNESSEE

DISCUSSION ITEM

Charles Garrett requested approval to amend the Facility Lease Agreement for the new Memphis Mental Health Institute Facility between The University of Tennessee (Lessor) and The Tennessee Department of Mental Health and Developmental Disabilities (Lessee) for the purpose of clarifying items for accounting purposes and for clarifying the use of monies and of interest earned on those monies received in connection with the sale of the former Memphis Mental Health Facility. He said the amendment does not change any significant terms of the lease, and called upon Mary-Margaret Collier who stated that this modification was the request of Bond Council and F&A Accounts to clarify accounting procedures. After discussion, the Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of request for APPROVAL to OBTAIN TITLE WORK, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT and with WAIVER OF APPRAISALS required interest in the following real property:

Description:	<u>Hamilton County - 36 +/- acres located on the north end of Missionary Ridge in Chattanooga, TN - Transaction No. 05-12-016 (BF)</u>
Purpose:	Acquisition by Gift to preserve Civil War Battlefield. It will be cooperatively managed by agreement with City of Chattanooga.
Funding:	Donation
Estimated Value:	\$505,400.00
Owners:	The Trust for Public Land
SSC Report:	01-17-06. Jorgen Bailey summarized the transaction. Kim Kirk presented the purpose of the transaction. Staff referred to Sub-Committee for recommendation.
SC Action:	01-23-06. Charles Garrett presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF HEALTH

LEASE AMENDMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property as required by TCA 12-2-115:

Location: Davidson County – 227 French Landing, Nashville, TN – Trans. No. 04-07-904A (PW)

Purpose: Lease Amendment No. 1 to provide additional space for Bureau of Licensure & Regulation (BHLR)

Term: March 1, 2006 thru February 28, 2016 (10 yrs.)

Proposed Amount:	45,734 Square Feet		
	Average Annual Contract Rent Incl.		
	Utility & Janitorial Cost:	<u>\$ 683,814.77</u>	<u>@ \$ 14.95/sf</u>
	Total Annual Effective Cost:	<u>\$ 683,814.77</u>	<u>@ \$ 14.95/sf</u>

Current Amount:	39,434 Square Feet		
	Average Annual Contract Rent Incl.		
	Utility & Janitorial Cost:	<u>\$ 589,617.17</u>	<u>@ \$ 14.95/sf</u>
	Total Annual Effective Cost:	<u>\$ 589,617.17</u>	<u>@ \$ 14.95/sf</u>

Type: Amendment No. 1 - Negotiated

FRF Rate: \$18.00 per square foot

Purchase  
Option: No – Multi-tenant

Lessor: MHP Associates, LLC

Comment: The proposed amendment provides (1) the lessor will provide an additional 6,300 rentable square feet at the same rate per square foot and will make tenant improvements and alterations at no additional cost to the State, (2) the term of both the lease and this amendment shall commence on March 1, 2006 and shall end on February 28, 2016 and (3) all other terms and conditions of the lease remain in full force and effect.

SSC Report: 01-17-06. Bob King summarized the transaction. Staff referred to Sub- Committee for recommendation.

SC Action: 01-23-06. Charles Garrett stated that this and the other two requests for the Department of Health were related and needed to be addressed together. He then summarized the Department's need for the additional square footage, and discussions ensued concerning the reason for the cost increase at one of the locations. The Subcommittee discussed the French

Landing and Athens Way amendments that reflected no increase in cost and approved those requests as presented.

The Subcommittee then stated their reluctance to approve the amendment at Athens Way that contained a 75% increase in square footage with an increase in cost. Secretary of State Darnell suggested they tell the lessor that they would not approve the request with an increase in cost per square foot, and a motion was made and seconded to that effect. Charles Garrett added that, should the lessor agree to the same rate, he assumed that the request would be approved, and that, either way, the staff would report back. The Subcommittee approved the motion with the understanding as outlined by Mr. Garrett.

DEPARTMENT OF HEALTH

LEASE AMENDMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property as required by TCA 12-2-115:

Location: Davidson County – 220 Athens Way, Nashville, TN – Trans. No. 04-07-904B (PW)

Purpose: Lease Amendment No. 1 to provide additional space for Bureau of Licensure & Regulation (BHLR)

Term: March 1, 2006 thru February 28, 2016 (10 yrs.)

Proposed Amount:	24,433 Square Feet		
	Average Annual Contract Rent Incl.		
	Utility & Janitorial Cost:	<u>\$ 383,903.51</u>	<u>@ \$ 15.71/sf</u>
	Total Annual Effective Cost:	\$ 383,903.51	@ \$ 15.71/sf

Current Amount:	21,662 Square Feet		
	Average Annual Contract Rent Incl.		
	Utility & Janitorial Cost:	<u>\$ 340,364.18</u>	<u>@ \$ 15.71/sf</u>
	Total Annual Effective Cost:	\$ 340,364.18	@ \$ 15.71/sf

Type: Amendment No. 1 - Negotiated

FRF Rate: \$18.00 per square foot

Purchase  
Option: No – Multi-tenant

Lessor: USAA Real Estate Company

Comment: The proposed amendment provides (1) the lessor will provide an additional 2,771 rentable square feet at the same rate per square foot and will make tenant improvements and alterations at no additional cost to the State, (2) the term of both the lease and this amendment shall commence on March 1, 2006 and shall end on February 28, 2016 and (3) all other terms and conditions of the lease remain in full force and effect.

SSC Report: 01-17-06. Bob King summarized the transaction. Staff referred to Sub-Committee for recommendation.

SC Action: 01-23-06. Charles Garrett stated that this and the other two requests for the Department of Health were related and needed to be addressed together. He then summarized the Department's need for the additional square footage, and discussions ensued concerning the reason for the cost increase at one of the locations. The Subcommittee discussed the French

Landing and Athens Way amendments that reflected no increase in cost and approved those requests as presented.

The Subcommittee then stated their reluctance to approve the amendment at Athens Way that contained a 75% increase in square footage with an increase in cost. Secretary of State Darnell suggested they tell the lessor that they would not approve the request with an increase in cost per square foot, and a motion was made and seconded to that effect. Charles Garrett added that, should the lessor agree to the same rate, he assumed that the request would be approved, and that, either way, the staff would report back. The Subcommittee approved the motion with the understanding as outlined by Mr. Garrett.

DEPARTMENT OF HEALTH

LEASE AMENDMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property as required by TCA 12-2-115:

Location: Davidson County – 220 Athens Way, Nashville, TN – Trans. No. 04-07-904C (BK)

Purpose: Lease Amendment No. 2 to provide additional space for Bureau of Licensure & Regulation (BHLR)

Term: March 1, 2006 thru February 28, 2016 (10 yrs.)

Proposed Amount:	37,783 Square Feet (Amendments # 1 & 2)		
	Average Annual Contract Rent Incl. Utility & Janitorial Cost:	<u>\$ 612,522.26</u>	<u>@ \$ 16.21/sf</u>
	Total Annual Effective Cost:	\$ 612,522.26	@ \$ 16.21/sf

Current Amount:	24,433 Square Feet (If Amendment #1 is approved)		
	Average Annual Contract Rent Incl. Utility & Janitorial Cost:	<u>\$ 383,903.51</u>	<u>@ \$ 15.71/sf</u>
	Total Annual Effective Cost:	\$ 383,903.51	@ \$ 15.71/sf

Type: Amendment No. 2 - Negotiated

FRF Rate: \$18.00 per square foot

Purchase  
Option: No – Multi-tenant

Lessor: USAA Real Estate Company

Comment: The proposed amendment provides (1) the lessor will provide an additional 13,350 rentable square feet at an increased rate per square foot and will make tenant improvements and alterations at no additional cost to the State subject to an improvement allowance of \$20.00 per square foot, (2) the term of both the lease and this amendment shall commence on March 1, 2006 and shall end on February 28, 2016 and (3) all other terms and conditions of the lease remain in full force and effect.

SSC Report: 01-17-06. Bob King summarized the transaction. Staff referred to Sub-Committee for discussion.

SC Action: 01-23-06. Charles Garrett stated that this and the other two requests for the Department of Health were related and needed to be addressed together. He then summarized the Department's need for the additional square footage, and discussions ensued concerning the



reason for the cost increase at one of the locations. The Subcommittee discussed the French Landing and Athens Way amendments that reflected no increase in cost and approved those requests as presented.

The Subcommittee then stated their reluctance to approve the amendment at Athens Way that contained a 75% increase in square footage with an increase in cost. Secretary of State Darnell suggested they tell the lessor that they would not approve the request with an increase in cost per square foot, and a motion was made and seconded to that effect. Charles Garrett added that, should the lessor agree to the same rate, he assumed that the request would be approved, and that, either way, the staff would report back. The Subcommittee approved the motion with the understanding as outlined by Mr. Garrett.

DEPARTMENT OF FINANCE AND ADMINISTRATION

CAPITOL COMPLEX, NASHVILLE, TENNESSEE

- 1) Approved a request for Delivery Order No. #2 and acknowledgment of the source of funding for **Energy Savings Project** at the James K. Polk, Andrew Johnson and Davy Crockett State Office Buildings, Nashville, with work to be accomplished by Siemens Building Technologies, Inc.

Estimated Cost of Delivery Order #2    \$1,000,000.00  
*SBC Project No.                      529/000-01-2003*

WOODLAND HILLS YOUTH DEVELOPMENTAL CENTER, NASHVILLE, TENNESSEE

- 1) Approved a request to perform post commissioning work on a project for **New Female Violent Offender Facility** at Woodland Hills Youth Developmental Center, Nashville, at a cost not-to-exceed \$5,000.00, utilizing the master agreement for statewide commissioning with International Commissioning Engineers (ICE).

*SBC Project No.                      144/002-01-1999*

LAKESHORE MENTAL HEALTH INSTITUTE, KNOXVILLE, TENNESSEE

- 1) Approved a request to perform post commissioning work on a project for **Essential Maintenance** at Lakeshore Mental Health Institute, Knoxville, at a cost not-to-exceed \$5,000.00, utilizing the master agreement for statewide commissioning with International Commissioning Engineers (ICE).

*SBC Project No.                      344/005-01-2003*

STATE BUILDING COMMISSION

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

- 1) Approved the Minutes of the Executive Subcommittee meeting held on December 19, 2005.

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Following approval of the Consent Agenda, the meeting adjourned at 10:55 a.m.

CONSENT AGENDA

Approved the following Real Property transactions which have been reviewed and recommended for approval by Sub-Committee staff:

- A. Agency: University of Tennessee – Knox County  
Transaction: Disposal by Lease
- B. Agency: University of Tennessee – Hamilton County  
Transaction: Lease Agreement  
Provision: Waiver of Advertisement & Appraisals
- C. Agency: Tennessee Board of Regents – Montgomery County  
Transaction: Acquisition in Fee
- D. Agency: Tennessee Board of Regents – Montgomery County  
Transaction: Acquisition in Fee
- E. Agency: Tennessee Board of Regents – Montgomery County  
Transaction: Acquisition in Fee
- F. Agency: Tennessee Board of Regents – Montgomery County  
Transaction: Acquisition in Fee
- G. Agency: Tennessee Board of Regents  
Transaction: Discussion Item
- H. Agency: Tennessee Board of Regents – Davidson County  
Transaction: Lease Agreement
- I. Agency: Department of Transportation – Sullivan County  
Transaction: Acquisition by Disposal
- J. Agency: Department of Environment & Conservation – Morgan County  
Transaction: Acquisition in Fee
- K. Agency: Department of Environment & Conservation – Shelby County  
Transaction: Acquisition in Fee
- L. Agency: Department of Finance & Administration for Mental Retardation Services – Greene County  
Transaction: Lease Agreement
- M. Agency: Department of Finance & Administration for Human & Children's Services – Fayette County  
Transaction: Lease Agreement

- N. Agency: Department of Children's Services – Carter County  
Transaction: Lease Agreement
- O. Agency: Department of Children's Services – Henry County  
Transaction: Lease Agreement
- P. Agency: Department of Human/Disability Determination Services – Davidson County  
Transaction: Lease Agreement
- Q. Agency: Department of Environment and Conservation – Lake County  
Transaction: Demolition of Old Residence  
SBC Project No. 126/084-01-2006

A.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL BY LEASE interest in real property with WAIVER OF ADVERTISEMENT AND APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Knox County - 6.05 +/- acres - located on Neyland Drive, Knoxville, TN - Transaction No. 06-01-001 (GM)</u>
Purpose:	Disposal by Lease for the development of Second Creek Greenway. Area for greenway will by 1,258 +/- sq. ft x 10 sq. ft.
Term:	50-year lease
Grantee:	City of Knoxville
Consideration:	Grant for Public Purpose
SSC Report:	01-17-06. Jurgen Bailey summarized the transaction. Alvin Payne presented the transaction and that an approval is inclusive of associated parking leases with the Boathouse Benevolent Society, or other related real property transactions, within the approved term and described 6.05 +/- acres to effectuate the development of the greenway and improvements to University parking areas. Staff referred to Sub-Committee for consent agenda.
SC Action:	01-23-06. Subcommittee approved the transaction as presented. Final action.

B.

UNIVERSITY OF TENNESSEE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Hamilton County – 960 East Third Street, Suite 200, Whitehall Building, Chattanooga, TN – Trans No. 05-10-917

Purpose: To provide administrative offices for the Department of Internal Medicine.

Term: March 1, 2006 thru February 28, 2016 (10 yrs.)

Proposed Amount:	8,664 Square Feet		
	Annual Contract Rent Incl. Utility & Janitorial Cost:	<u>\$120,689.52</u>	<u>@\$13.93/sf</u>
	Total Annual Effective Cost:	\$120,689.52	@\$13.93/sf

Current Amount:	4,683 Square Feet		
	Annual Contract Rent Incl. Utility & Janitorial Cost:	<u>\$ 44,488.50</u>	<u>@\$ 9.50/sf</u>
	Total Annual Effective Cost:	\$ 44,488.50	@\$ 9.50/sf

Type: New Lease – Negotiated

Purchase  
Option: No – Multi-tenant

Lessor: Chattanooga-Hamilton County Hospital Authority d/b/a Erlanger Health System

Comment: The proposed lease provides no cancellation during the first five (5) years of the lease except for cause and/or lack of funding and 90-days thereafter.

SSC Report: 01-17-06. Alvin Payne summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 01-23-06. Subcommittee approved the transaction as presented. Final action.

C.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, with a REQUEST to DEMOLISH IMPROVEMENT required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Montgomery County - 0.18 +/- acres with improvement located adjacent to APSU - 248 Marion Street, Clarksville, TN - Transaction No. 05-12-004 (LW)</u>
Purpose:	Located within the APSU Master Plan. Area will be utilized for parking or green space.
Funding:	Campus Plant Funds
Estimated Cost:	Fair Market Value
Owner:	Lynn Lamb
SSC Report:	01-17-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	01-23-06. Subcommittee approved the transaction as presented. Final action.



D.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, with a REQUEST to DEMOLITION OF IMPROVEMENTS required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Montgomery County - 0.18 +/- acres with improvements adjacent to APSU - 252 Marion Street, Clarksville, TN - Transaction No. 05-12-005(LW)</u>
Purpose:	Located within APSU Master Plan for acquisition. Will be used for parking.
Funding:	Campus Plant Funds
Estimated Cost:	Fair Market Value
Owner:	Jennifer Sturgill as conservatory for Kathleen B. Meacham
SSC Report:	01-17-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	01-23-06. Subcommittee approved the transaction as presented. Final action.

E.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Montgomery County - 0.11 +/- acres - adjacent to APSU - 409 Ford Street, Clarksville, TN - Transaction No. 05-12-006 (LW)

Purpose: Located within APSU Master Plan acquisition area will be used for parking.

Funding: Campus Plant Funds

Estimated Cost: Fair Market Value

Owner: Michael D. Logan

SSC Report: 01-17-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 01-23-06. Subcommittee approved the transaction as presented. Final action.

F.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT with a REQUEST to DEMOLITION OF IMPROVEMENT required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Montgomery County - 0.21 +/- acres improved with a house adjacent to MTSU - 408 Ford St., Clarksville, TN - Transaction No. 05-12-008 (LW)</u>
Purpose:	For future parking or additional green space located within MTSU's Master plan for acquisition.
Funding:	Campus Plant Funds
Estimated Cost:	Fair Market Value
Owner:	Mike Quarles for Janie May Ross (Power of Attorney)
SSC Report:	01-17-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	01-23-06. Subcommittee approved the transaction as presented. Final action.

G.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to SOLICIT PROPOSERS through a competitive RFP process to allow companies to lease equipment/antenna space on East Tennessee State University's radio tower.

Proposed Leased Term: 5-year term with an additional 3-5-year terms (a potential 20 year lease agreement).

Purpose: ETSU has a radio tower (Rohn Tower #80) that is 165 feet in height on the campus that transmits their radio station, WETS. Several companies have expressed an interest to lease equipment and antenna space on this site. An RFP would allow each company a fair advantage to compete for the radio tower space. Successful proposer would also be allowed to build small structures for their transmission equipment.

Estimated Cost: To be determined by highest successful proposer.

SSC Report: 01-17-06. Jurgen Bailey summarized the transaction. Jerry Preston summarized the purposes of this transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 01-23-06. Subcommittee approved the transaction as presented. Final action.

H.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Davidson County – 1415 Murfreesboro Road, Suites 350, 664 & 668, Nashville, TN – Transaction No. 06-01-904

Purpose: To provide office and related space for the Central offices.

Term: July 1, 2006 thru June 30, 2011 (5 yrs)

Proposed Amount:	45,912 Square Feet		
	Annual Contract Rent Incl. Utility & Janitorial Cost:	<u>\$494,701.80</u>	<u>@\$10.78/sf</u>
	Total Annual Effective Cost:	\$494,701.80	@\$10.78/sf

Current Amount:	43,606 Square Feet		
	Annual Contract Rent Incl. Utility & Janitorial Cost:	<u>\$434,965.86</u>	<u>@\$9.98/sf</u>
	Total Annual Effective Cost:	\$434,965.86	@\$9.98/sf

Type: New Lease – Advertisement – Only Proposal

FRF Rate: \$18.00 per square foot

Purchase Option: No – multi-tenant

Lessor: Genesco, Inc., current lessor

Comment: The proposed lease provides (1) renewal option for an additional 5 years beginning July 1, 2011 thru June 30, 2016, at an increase of 10% (2) no cancellation during the term of the lease except for cause and/or lack of funding.

SSC Report: 01-17-06. Jerry Preston summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 01-23-06. Subcommittee approved the transaction as presented. Final action.

I.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property WITH WAIVER OF ADVERTISEMENT AND APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description: Sullivan County - 3.16 +/- acres-excess ROW-at SR 36 and Lakecrest Road, Blountville, TN - Transaction No. 06-01-004 (LW)

Purpose: Grant for public purpose use for a recycling drop-off center.  
Conveyance will have reversion clause.

Original cost  
To The State: \$36,285.00

Original Date of  
Conveyance: September 8, 1972

Grantor unto  
State: Judgment from Cecil Slaughter, et ux

Grantee: Sullivan County

SSC Report: 01-17-06. Jorgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 01-23-06. Subcommittee approved the transaction as presented. Final action.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Morgan County - 275 +/- acres located on the crest of Bird Mountain between Frozen Head SNA and Wartburg, TN - Transaction No. 05-12-012 (GM)**

Purpose: Acquisition in Fee to acquire .9 mile for the Cumberland Trail. This site is known as the Potter tract and is the recommended preference for this portion of the trail.

Funding:	State Land Acquisition Fund	\$ 50,800
	Federal Tea-21 Funds	\$203,200

Estimated Cost: Fair Market Value

Owners: Macus A. Potter

SSC Report: 01-17-06. Jurgen Bailey summarized the transaction. Joey Carlton & Robert Fulcher, Park Rangers presented the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 01-23-06. Subcommittee approved the transaction as presented. Final action.

K.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, SURVEY AND EXERCISE OPTION to ACQUIRE OR ACCEPT as GIFT, and WAIVER OF APPRAISALS required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County - 21+/- acres known as the Riverwood State Natural Area located near Germantown, TN - Transaction No. 05-12-015 (BF)</u>
Purpose:	Acquisition by Gift of a state designated natural area. This donation will be cooperatively managed by the State Natural Areas program and the City of Germantown.
Estimated Cost:	\$5,000 for administrative costs.
Grantor:	Memphis Garden Club
SSC Report:	01-17-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	01-23-06. Subcommittee approved the transaction as presented. Final action.



L.

FINANCE & ADMINISTRATION for MENTAL RETARDATION SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Greene County – Lots 7 & 8 Serral Drive, Greeneville, TN – Transaction No. 05-08-910 (JS)

Purpose: To provide office and related space for county operation

Term: January 1, 2007 thru December 31, 2016 (10 yrs)

Proposed Amount:	10,560 Square Feet		
	Annual Contract Rent:	\$ 96,396.00	@ \$ 9.13/sf
	Est. Annual Utility Cost:	\$ 14,784.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 11,616.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$122,796.00	@ \$11.63/sf

Current Amount:	4,960 Square Feet		
	Annual Contract Rent:	\$14,880.00	@ \$3.00/sf
	Est. Annual Utility Cost:	\$ 6,944.00	@ \$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 5,456.00</u>	<u>@ \$1.10/sf</u>
	Total Annual Effective Cost:	\$27,280.00	@ \$5.50/sf

Type: New Lease – Advertisement – Lowest of four (4) proposals from four (4) proposers

FRF Rate: \$10.25 per square foot

Purchase  
Option: Yes – Years 1 thru 10

Lessor: David K. Quillen

Comment: The proposed lease provides (1) lessor to construct a 10,560 square foot of rentable space including interior tenant improvements at no additional cost to the State (2) no cancellation during the first five years of the lease term except for cause and/or lack of funding and 180-days thereafter.

SSC Report: 01-17-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 01-23-06. Subcommittee approved the transaction as presented. Final action.

M.

FINANCE & ADMINISTRATION for  
HUMAN & CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Fayette County – 18125 & 18145 Highway 64 East, Somerville, TN – Transaction No. 05-04-914 (RS)

Purpose: To provide office space for county operations for both agencies.

Term: February 1, 2007 thru January 31, 2017 (10 yrs)

Proposed Amount:	9,496 Square Feet		
	Annual Contract Rent:	\$72,000.00	@\$ 7.58/sf
	Est. Annual Utility Cost:	\$13,294.40	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$10,445.60</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$95,740.00	@\$10.08/sf

Current Amount:	5,320 Square Feet		
	Annual Contract Rent:	\$22,500.00	@\$4.23/sf
	Est. Annual Utility Cost:	\$ 7,448.00	@\$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 5,852.00</u>	<u>@\$1.10/sf</u>
	Total Annual Effective Cost:	\$35,800.00	@\$6.73/sf

Type: New Lease – Advertisement – Lowest of two (2) proposals from two (2) proposers.

FRF Rate: \$10.25 per square foot

Purchase Option: No

Lessor: Thomas G. Peebles

Comment: The proposed lease provides (1) lessor to construct a 9,496 square foot of rentable space including interior tenant improvements at no additional cost to the State (2) no cancellation during the first five years of the lease term except for cause and/or lack of funding and 180-days thereafter.

SSC Report: 01-17-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 01-23-06. Subcommittee approved the transaction as presented. Final action.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Carter County – 150 Hatcher Lane, Elizabethton, TN – Transaction No. 05-08-906 (JS)

Purpose: To provide Group Home for Adolescent Girls

Term: July 1, 2006 thru June 30, 2011 (5yrs)

Proposed Amount:	5,530 Square Feet		
	Annual Contract Rent:	\$79,255.08	@\$14.33/sf
	Est. Annual Utility Cost:	<u>\$ 7,742.00</u>	<u>@\$ 1.40/sf</u>
	Total Annual Effective Cost:	\$86,997.08	@\$15.73/sf

Current Amount:	5,530 Square Feet		
	Annual Contract Rent:	\$61,908.00	@\$11.20/sf
	Est. Annual Utility Cost:	<u>\$ 7,742.00</u>	<u>@\$ 1.40/sf</u>
	Total Annual Effective Cost:	\$69,650.00	@\$12.60/sf

Type: New Lease – Advertisement – Only proposal

Purchase  
Option: Yes – Years 1thru 5

Lessor: Hearthwood Properties #2, LLC, current lessor

Comment: The proposed lease provides (1) lessor shall make interior & exterior tenant improvements at no additional cost to the State (2) no cancellation during the lease term except for cause and/or lack of funding.

SSC Report: 01-17-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 01-23-06. Subcommittee approved the transaction as presented. Final action.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Henry County – Wood Street, Paris, TN – Transaction No. 05-06-914 (RS)

Purpose: To provide office space for agency operation

Term: January 1, 2007 thru December 31, 2016 (10 yrs)

Proposed Amount:	6,000 Square Feet		
	Annual Contract Rent:	\$64,380.00	@\$10.73/sf
	Est. Annual Utility Cost:	\$ 6,600.00	@\$ 1.10/sf
	Est. Annual Janitorial Cost:	<u>\$ 6,600.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$77,580.00	@\$12.93/sf

Current Amount: None

Type: New Lease – Advertisement – Lowest of three (3) proposals from two (2) proposers.

FRF Rate: \$10.25 per square foot

Purchase  
Option: Yes – Years 1 thru 10

Lessor: Rose Arroyo Pastor

Comment: The proposed lease provides (1) lessor to construct a 6,000 square foot of rentable space including interior tenant improvements at no additional cost to the State (2) no cancellation during the first five years of the lease term except for cause and/or lack of funding and 180-days thereafter (3) lessor will furnished water & sewer.

SSC Report: 01-17-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 01-23-06. Subcommittee approved the transaction as presented. Final action.

DEPARTMENT OF HUMAN SERVICES/  
DISABILITY DETERMINATION SERVICES

LEASE AMENDMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property as required by TCA 12-2-115:

Location: Davidson County – 200/220 Athens Way, Nashville, TN – Trans. No. 04-05-912 (BK)

Purpose: Lease Amendment No. 1 to provide additional space for Disability Determination Services (DDS)

Term: April 1, 2006 thru August 31, 2014 (8 yrs. 5 mons)

Proposed Amount:	142,784 Square Feet		
	Average Annual Contract Rent Incl.		
	Utility & Janitorial Cost:	<u>\$ 2,295,305.39</u>	<u>@ \$ 16.07/sf</u>
	Total Annual Effective Cost:	\$ 2,295,305.39	@ \$ 16.07/sf

Current Amount:	133,365 Square Feet		
	Average Annual Contract Rent Incl.		
	Utility & Janitorial Cost:	<u>\$ 2,133,707.00</u>	<u>@ \$ 16.00/sf</u>
	Total Annual Effective Cost:	\$ 2,133,707.00	@ \$ 16.00/sf

Type: Amendment No. 1 - Negotiated

FRF Rate: \$18.00 per square foot

Purchase  
Option: No – Multi-tenant

Lessor: US Real Estate Limited Partnership

Comment: The proposed amendment provides (1) the lessor will provide an additional 9,419 rentable square feet at Plaza 1 at an increased rate per square foot and will make tenant improvements and alterations at no additional cost to the State subject to an improvement allowance of \$20.00 per square foot, (2) this amendment will terminate with the original lease on August 31, 2014 and (3) all other terms and conditions of the lease remain in full force and effect.

SSC Report: 01-17-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 01-23-06. Subcommittee approved the transaction as presented. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

REELFOOT LAKE STATE PARK, TIPTONVILLE, TENNESSEE

- 1) Approved a project to **Demolish Old Residence** at Reelfoot Lake State Park, Tiptonville, with all work to be performed by in-house forces at no cost to the State.

<b>Estimated Project Cost:</b>	<b>\$0.00</b>
<i>SBC Project No.</i>	<i>126/084-01-2006</i>

Approved by: \_\_\_\_\_

M.D. Goetz, Jr., Commissioner  
Department of Finance and Administration